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FISCAL IMPACT STATEMENT

LS 6677

BILL NUMBER: HB 1570

NOTE PREPARED: Jan 4, 2011

BILL AMENDED:

SUBJECT: Backcountry areas.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that backcountry areas of Yellowwood State Forest and Morgan-Monroe State Forest may not be developed in a manner that permits motorized access, sale of timber, or commercial activity.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The bill would result in a reduction in expenditures by the Department of Natural Resources (DNR) for developing backcountry areas and maintaining access to the areas in a manner that would allow for motorized access, commercial logging, or commercial activity.

The state currently has scheduled a sale to be taken from the Morgan-Monroe backcountry area. A bulldozer was used to improve an existing roadway and to establish two log landings for the storage and loading of logs. Total cost to conduct this sale is over \$4,000, including road improvement costs, marking costs, and administration costs. The sale was for 214 million board feet. The timber involved occupies 100 acres of the area.

Costs of access to timber will vary depending on specific conditions. Repaired roads would require continued maintenance.

A recent timber sale in the Jackson- Washington State Forest backcountry area cost \$6,500.

Explanation of State Revenues: The last two timber sales in state forest backcountry areas were at Clark State Forest and Jackson-Washington State Forest. The Clark State Forest sale netted \$38,000. The Morgan-

Monroe sale could net \$45,000.

Background: In Indiana, over 3.8 M acres of forests are privately owned. The DNR owns over 400,000 acres of land, of which 310,000 acres are forest land.

IC 14-23-4-5 provides that 85% of the net receipts from state timber sales must be deposited in the State Forestry Fund; 15% must be deposited in the general fund of the county in which the state forest is located. All distributions must be made after deducting costs incurred by the DNR. In FY 2010, state forest timber sale revenues equaled \$2.6 M. Expenses equaled \$219,640. Expenses included the cost of developing access, sale marking costs, and administrative costs.

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would have no significant impact on local revenues. Counties and fire departments received \$289,341 in FY 2010 from state forest timber sales. These sales were not in backcountry areas. Counties would still be able to receive revenue from timber sales that are not located in backcountry areas.

State Agencies Affected: DNR.

Local Agencies Affected: Morgan, Monroe, Clark, Jackson, and Washington Counties.

Information Sources: DNR, <http://www.in.gov/dnr/forestry/5270.htm>; DNR presentation, House Natural Resources Committee and the Natural Resources Interim Study Committee, 2009.

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